

# Capital Accounting Policy

Evolve Church Academies Trust



Approved by:	[Name]	Date:	[Date]
Last reviewed on:	[Date]		
Next review due by:	[Date]		

Capitalisation Limit: £500

Depreciation Method: Straight line

Depreciation periods:

1 **Land:** Land is not depreciated as it is considered to have an infinite life

2 **Building Assets:** Building assets are depreciated over the period of their assessed lives as determined by valuations carried out by a qualified surveyor. Property consists of land and building elements and the valuation will apportion the cost of the property between the buildings (depreciable) and land (non-depreciable) elements.

3 **Equipment:**

The following standard economic lives are to apply unless it is clear that for particular items a different economic life would be more appropriate:

Land and Buildings (plus new building construction)	50 years	2% depreciation
Leasehold Improvements (refurbishment and property improvement)	5 years	20% depreciation
Motor Vehicles	4 years	25% depreciation
IT Equipment (User equipment – PCs/Laptops)	3 years	33% depreciation
Strategic Equipment (CCTV, whiteboards, servers)	5 years	20% depreciation
Fixtures and Fittings (furniture, motor vehicle equipment, air conditioning)	5 years	20% depreciation

4 **Assets under construction:** These are not depreciated as depreciation is only appropriate when assets are in operational use.

5 **Leases:** Assets leased under operating leases should be depreciated on a straight line basis over the lease term unless a more systematic and rational basis is more appropriate. Finance leases should not be taken out as these constitute borrowing.